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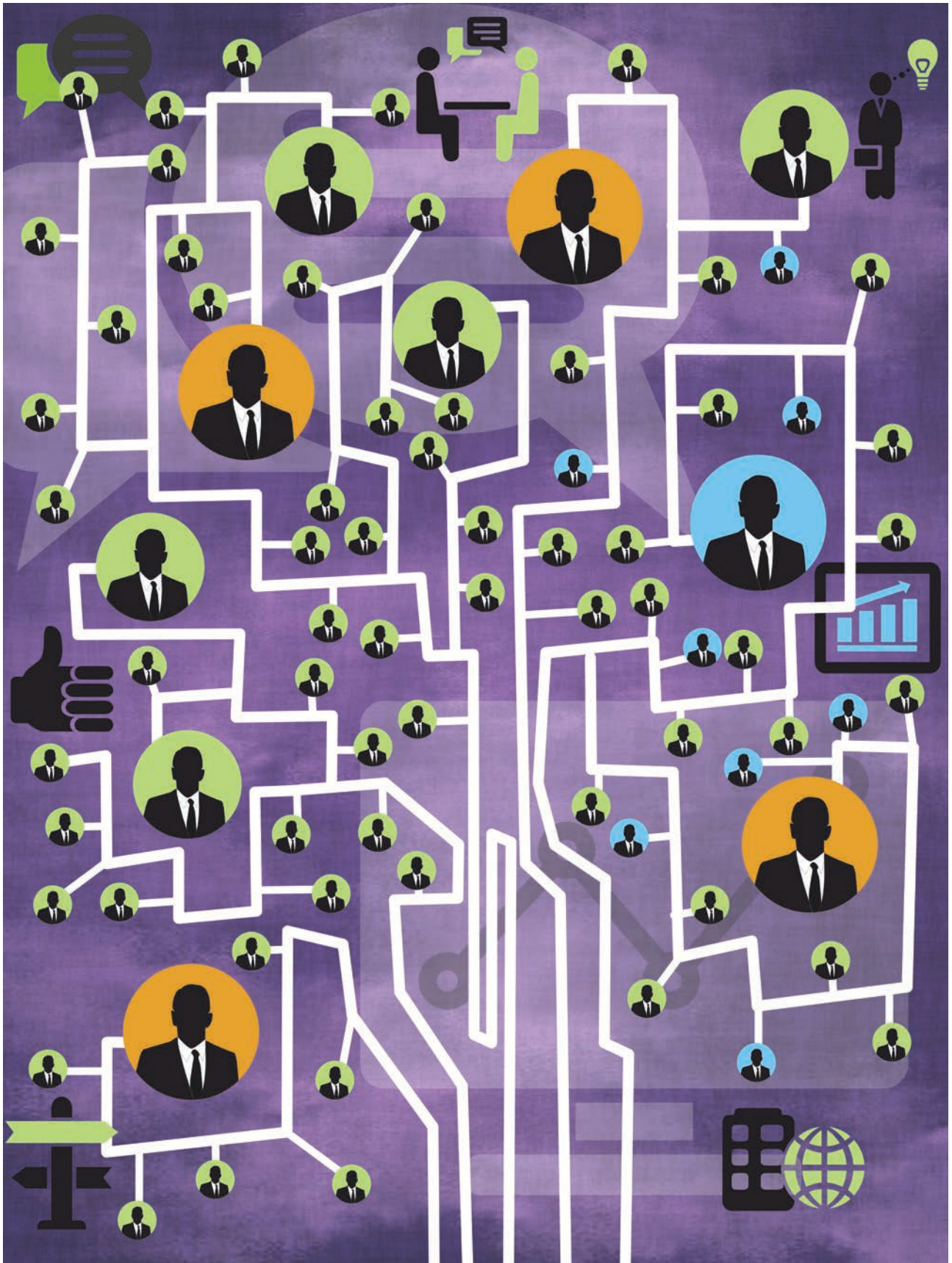


Illustration by Nilesh Juvalekar



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the past connect

LinkedIn. Tesla. YouTube. Yelp. Yammer. SpaceX. What do all these companies have in common? They're not just examples of innovation and massive financial success. All of them were founded by the alumni of a single company: PayPal. Lifetime employment might be over, but a lifetime relationship remains the ideal, and as the alumni of PayPal know better than anyone, it can be extremely valuable... establishing a corporate alumni network, which requires relatively little investment, is the next logical step in maintaining a relationship of mutual trust, mutual investment, and mutual benefit in an era where lifetime employment is no longer the norm.¹

With their robust link to the past, corporate alumni networks entail a framework beneficial both to individuals as well as employers.

Alumni networks are commonly thought of as communities of former university students who maintain contact with each other and with their alma mater by meeting annually and sharing memories about the good old days. The phenomenon has now extended to the professional sphere,

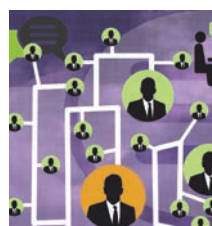
and corporate alumni networks are now flourishing in all business sectors. The alumni networks of large firms such as AT&T, Procter & Gamble, Coca-Cola, or IBM can count up to tens of thousands of members worldwide. Some McKinsey partners claim they have more CEOs in their alumni networks than prestigious universities such as

Harvard Business School. However, the immense potential of corporate alumni networks for business development, knowledge management, rehiring, innovation, and image is largely underexploited.

Why do people decide to join corporate alumni networks? Some organizational factors such as a company's prestige, or a company's efforts to maintain a link with its former employees—like publishing an alumni directory or organizing events—influence their degree of attachment to an organization which they had worked for earlier. Individual factors too impact the decision of ex-employees to join corporate alumni networks. One notable factor is that the longer the duration of employment, the stronger the sense of attachment. Also, these days, many young graduates look for an MBA+ effect while seeking a job—they look for the most prestigious employer brands so that they can claim the corporate alumni quotient during the rest of their career.

the takeaway

Corporate alumni networks are used only for social reasons, but also for business purposes such as finding suppliers, recruiting staff members, or building new business partnerships. A key argument for favoring fellow members of an alumni group is that the partnership will be easier because the two are more likely to share the same values or the same way of thinking. However, despite its obvious importance and potential impact on businesses, we know very little about how people relate to their former employers and how this attachment can be leveraged.



Some members of alumni networks seek to reproduce elements of their past professional experience in their current professional setting.

Our recent research provides an account of what it is to be a corporate alumni network member. Specifically, we have studied how members of such networks make sense of their attachment to a past setting and how they sustain such identification with the past, in the present. We show how past experience is still vivid in the present time for corporate alumni network members.

Many whom we interviewed expressed nostalgia for the 'good old days' and described the emotion of meeting with former colleagues, or learning the last news about the firm. In many cases, they were also excited about reconnecting with what they consider an incredible mix of great minds. However, nostalgia is only one part of the story. Our study shows that some members of alumni networks seek to reproduce elements of their past professional experience in their current professional setting. For instance, they will replicate the past company's modes of functioning by applying the same methods and by hiring almost exclusively alumni from that former employer.



Some others recognize that they regularly attempt to convince others to work the same way as they did in the company they had earlier worked. In line with this, we have even observed cases of alumni creating a consulting firm dedicated to teaching others some of the techniques they learnt at their former employer. By doing this, they diffuse the practices and culture of a company they no longer work for, sometimes even decades after having left the particular organization. Such alumni operate as advocates for their former employers and subsequently directly contribute to their brand. All these are good reasons for treating former employees well and maintaining the connection.

Corporate alumni networks provide a number of benefits at the individual level too. Some managers confess that they give priority to the members of the alumni because they have a better 'fit', and helps them be sure about quality. Some tend to favour fellow alumni members and take actions that have positive effects on their ex-employers. One example of this would be the offering fee reductions or favoring employees from their old company as partners for new business ventures. This trend has been noticed in auditing firms.

untapped potential

The social dimension of corporate alumni networks is often well-perceived, but its business dimension is generally less well-identified and only rarely leveraged despite the fact that they offer a privileged way of getting access to a potential partner or client.

We would encourage smart managers to see the untapped potential these networks hold. At present, only

a few companies are fully exploiting it. In fact, in many cases, the level of attachment of former employees is underestimated. This is also the case with regard to the potential it holds for the company.

Corporate alumni networks constitute an under-exploited social capital for an organization. This potential can be critical for the creation of a new organizational frontier within which open innovation can be easier to channel. However, many companies still do not manage their networks directly and very few have actively worked on innovating within these privileged boundaries. For instance, in one of the self-organized networks we studied, one person indicated that he had once taken an innovation project, along with another corporate alumni member, to a competitor because the firm he was working for was not proactive enough on it.

Our research highlights the fact that people can experience a really strong attachment to a past professional experience and that it can importantly influence their present ways of doing and acting. A key issue for executives and leaders is hence to consider the impact of their employees' past on their present work. This aspect is of particular importance as lifelong employment with a particular firm is no longer the norm. Also, this scenario entails that individuals too must learn to cope with an increasing number of past experiences that influence their present behavior and attitudes. ■



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01 <http://talent.linkedin.com/blog/index.php/2014/09/four-reasons-to-invest-in-a-corporate-alumni-network>